

Message Text

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PAGE 01 CARACA 01502 112251Z
ACTION ARA-10

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INFO SECSTATE WASHDC 6573

UNCLAS CARACAS 1502

PASS TO OED/MEPD AND OIM/BREWER

E.O. 11652: N/A
TAGS: BENC, VE
SUBJ: MAJOR PROJECT: CORPOZULIA STEEL MILL

REF: CARACAS A149

1. PROJECT NAME: CORPORACION DE DESARROLLO DE LA REGION
ZULIANA (CORPOZULIA) STEEL PLANT; MARACAIBO, ZULIA STATE.

2. BRIEF DESCRIPTION: CORPOZULIA IS NOW DEVELOPING SPECIFIC
PLANS FOR INITIAL PHASE OF PROPOSED 5 MILLION TON STEEL MILL.
FIRST PHASE, SCHEDULED FOR COMPLETION BY 1982, WOULD PRODUCE
APPROXIMATELY ONE MILLION TONS OF NON FLAT PRODUCT USING BLAST
FURNACE/OXYGEN CONVERTER TECHNOLOGY. CORPOZULIA ESTIMATES THAT
ONE BLAST FURNACE WITH A 9 METER DIAMETER AND 1600 SQUARE METERS
OF VOLUME AND TWO OXYGEN CONVERTERS, EACH WITH A 110 METRIC TON
CAPACITY, WILL BE NECESSARY TO PRODUCE 1.1MILLION METRIC TONS
OF STEEL PER YEAR. CORPOZULIA IS PRESENTLY EVALUATING TWO
ALTERNATIVE STEELMAKING PROCESSES, THE BASIC OXYGEN PROCESS
(BOP) AND THE NEWER BOTTOM-BLOW OXYGEN CONVERTER (Q-BOP).
HOWEVER, NO FINAL DECISION HAS YET BEEN MADE. A CONTINUOUS
CASTING BILLET MILL WILL BE CONSTRUCTED AS WELL AS TWO ROLLING
MILLS FOR NON-FLAT PRODUCTS. UPON COMPLETION OF THE FIRST
PHASE, THE PLANT WILL HAVE THE CAPACITY TO PRODUCE 640,000 METRIC
TONS OF LIGHT STRUCTURALS (PROFILES) AND REBAR AND 335,000
METRIC TONS OF WIRE ROD. AUXILIARY PLANTS WILL INCLUDE:
A COKE PLANT WITH CAPACITY TO PRODUCE 620,000 TONS PER YEAR;
A 1.8 MILLION TON SINTERIZATION PLANT; A LIME PLANT; AN OXYGEN
PLANT; AND SYSTEMS FOR DISTRIBUTION OF FUEL AND TREATMENT AND
DISTRIBUTION OF WATER. PORT FACILITIES, CAPABLE OF RECEIVING
SHIPS UP TO 50,000 TONS, WILL ALSO BE NEEDED. ADDITIONALLY,

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DISTRIBUTION OF WATER. PORT FACILITIES, CAPABLE OF RECEIVING
SHIPS UP TO 50,000 TONS, WILL ALSO BE NEEDED. ADDITIONALLY,

EXTERNAL INFRASTRUCTURE, SUCH AS EXPANDED TRANSPORTATION FACILITIES, THERMOELECTRIC POWER STATIONS TO SUPPLY BOTH THE PLANT AND CITY AND AN EXPANDED WATER SYSTEM, MUST BE PROVIDED.

3. EXECUTING AGENCY/PROJECT MANAGER:

CORPORACION DE DESARROLLO DE LA REGION ZULIANA
EDIFICIO CAJA POPULAR DE OCCIDENTE
AVENIDA 4 (ANTES BELLA VISTA)
APARTADO 1153
MARCAIBO, ESTADO ZULIA, VENEZUELA
TELE: (061) 83191 TO 95
TELEX: 61101 MARACAIBO
CABLES: CORPOZULIA

4. STATUS OF PROJECT/BID DATES: THE ENTIRE PROJECT IS NOW UNDER FINAL REVIEW BY THE NATIONAL STEEL COUNCIL (WHICH MUST GIVE ITS APPROVAL TO THE STATE-FINANCED PROJECT) AND THE PRESIDENT OF VENEZUELA. SUCCESSFUL DEVELOPMENT OF THE COAL RESERVES IN THE ZULIA REGION HAS BEEN CONSIDERED A NECESSARY PREREQUISITE TO THE INITIATION OF THE STEEL PROJECT; EXTENSIVE SURVEYS OF THE ZULIA COAL REGION HAVE ALREADY BEEN MADE, AND A COKING STUDY IS SCHEDULED FOR COMPLETION IN EARLY SUMMER. IT IS LIKELY THAT STRONG SUPPORT FROM THE STEEL COUNCIL COMBINED WITH A POSITIVE REPORT ON CAOL PROGRAM WILL COMBINE TO GIVE INCREASED IMPETUS TO THE STEEL PROGRAM BY MID-SUMMER. THEREFORE, INITIAL CONTACT WITH CORPOZULIA SHOULD BE MADE ASAP.

5. ESTIMATED PROJECT COST: IT IS ESTIMATED THAT A TOTAL INVESTMENT OF 1.25 BILLION DOLLARS (5 BILLION BOLIVARS), AT UNCLASSIFIED

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1976 PRICES, WILL BE REQUIRED BETWEEN 1977 AND 1983 IN ORDER TO COMPLETE FIRST STAGE. ESTIMATE DOES NOT INCLUDE COST OF EXTERNAL INFRASTRUCTURE.

6. COMPETITIVE FACTORS: CONSUL JAMES CASON, MARACAIBO, HAS BEEN INFORMED BY CORPOZULIA OFFICER THAT A BRITISH FIRM (BELIEVED TO BE BRITISH STEEL CORPORATION) HAS BEEN ASKED TO NEGOTIATE A CONTRACT FOR THE DEVELOPMENT OF SPECIFICATIONS AND GENERAL CONSULTING. HOWEVER, THE FIRST NATIONAL STEEL PLANT, SIDOR, HAS MAINTAINED A POLICY OF DIVERSIFICATION OF BOTH SUPPLIERS AND CONSULTANTS DURING ITS 20 YEAR HISTORY. (AT PRESENT, CONSULTANTS FROM SEVERAL COMPANIES IN THE UNITED STATES, AS WELL AS REPRESENTATIVES FROM COUNTRIES SUCH AS BRITAIN, GERMANY, INDIA, AND CHILE HAVE TECHNICAL ASSISTANCE CONTRACTS AT SIDOR WHILE EQUIPMENT FOR THE PLANT HAS BEEN PURCHASED FROM THE UNITED STATES, GERMANY, ITALY, JAPAN, AND AUSTRIA). CORPOZULIA CAN BE EXPECTED TO FOLLOW THIS PRECEDENT, SO THAT US FIRMS SHOULD HAVE GOOD OPPORTUNITIES ALL AREAS OF SUPPLY AND TECHNOLOGY.

7. INFORMATION SUPPLIED HEREIN OBTAINED FROM MATERIALS PROVIDED
BY CONSUL JAMES CASON, MARACAIBO. US FIRMS MAY WISH TO CONTACT
MR. CASON FOR ADDITIONAL INFORMATION AND ASSISTANCE DURING VISITS
TO THE MARACAIBO REGION. HE MAY BE REACHED AT: US. CONSULATE;
EDIFICIO MATEMA; AVENIDA 15, ENTRE CALLES 78 Y 79; MARACAIBO,
ESTADO ZULIA, VENEZUELA. TELEPHONE: (061) 51-65-06/7.
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Message Attributes

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Status: NATIVE
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TAGS: BENC, VE
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